

AMFM-2526-515-Alternative Investments Part I (Hedge Funds)

Name of lecturer(s) & Email Gregory Chouette chouette@forb.fr	Level/ Semester, Status, Timing Semester 2 (Term 3) Compulsory Between 06/02/2026 – 12/03/2026	ECTS*, CH & SDL** 3 24 66
Description of the course <p>This course offers a comprehensive introduction to hedge funds, a dynamic segment of the asset management industry. It explores the evolution, structure, and regulatory framework of hedge funds, as well as the strategies they deploy and the risks they entail.</p> <p>The first sessions cover the fundamentals: definitions, fund structures, investor types, and key service providers. Students will then dive into core hedge fund strategies—such as long/short equity, global macro, relative value, and systematic trading—through practical examples and case studies.</p> <p>The second part of the course focuses on event-driven strategies, including distressed investing, merger arbitrage, and shareholder activism. Real-life fund failures and successes are studied to highlight operational, liquidity, and market risks. Particular attention is given to performance assessment and the role of hedge funds in modern portfolios.</p> <p>By combining theory, data, and practitioner insights, the course prepares students to critically evaluate hedge funds as investment vehicles and as actors in global financial markets.</p>		
Course units <ul style="list-style-type: none"> • Introduction and definitions. Industry overview: size, growth, clients • Hedge Funds strategies. Example of managers, reports and factsheets • Volatility trading and systematic strategies + assignment • Due diligence and Fairfield case study • Event Driven - Bertrand Dardenne, Candriam • Merger Arb – Bertrand Dardenne, Candriam 		
Course Learning Outcomes (CLOs) <ol style="list-style-type: none"> 1. Understand the structure, regulation, and key actors of the hedge fund industry, including its legal frameworks and investor base. 2. Analyze and compare major hedge fund strategies, such as Equity Long/Short, Global Macro, Relative Value, Event-Driven, and Systematic Trading. 3. Assess the specific risks associated with hedge funds, including liquidity, leverage, blow-up, fraud, and systemic risk. 4. Interpret and evaluate hedge fund performance using real-world data, indices, and case studies. 5. Apply critical thinking to investment decisions in special situations, including distressed debt, merger arbitrage, and activist strategies. 		
Prerequisite (if any) Derivatives and Asset management		
Contribution to Programme Learning Objectives (PLOs)*** <ul style="list-style-type: none"> • Learning Objective 1.1: Mastery • Learning Objective 2.1: Reinforcement • Learning Objective 3.1: Reinforcement • Learning Objective 4.1: Mastery • Learning Objective 5.1: Mastery 	Evaluation scale 0-20	
Main Teaching methods used in the course Lecture, Interactive Lecture, Problem-based learning, Project-based learning		
Contribution to the Environmental, social and governance (ESG) Course Contribution to ESG: No Contact Hours are dedicated to ESG: 0 Contact Hours containing climate solutions for how organisations can reach net zero: 0 Description of contribution: 0		

Notice: The information available in the course outline is subject to change. Please keep yourself informed at all times by regularly checking Canvas.

*ECTS - European Credit Transfer and Accumulation System (1 ECTS = 30 hours of learning)

**CH - Contact Hours in class or online, SDL - Self-Directed Learning including readings, homework, group work, preparation to assessment, etc

***PLO - Programme Learning Objectives are available on the curriculum page

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Assessment methodology / Learners Use of Time and Load

Written exam + in class participation

- weight 100%
- workload estimated = 60 hours
- due 12-03-2026
- Guidelines: 3h sitting exam, 10 questions of 2 points each, Questions on course content and understanding of materials, Questions on case study and calculations
General interaction, activity and research on the topic, Constructive challenging, Critical thinking

Readings

Required
N/A

Recommended
N/A

Other Learning Materials

available in Canvas

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